

Developing a Quality TORFP

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Objectives

- Relieve some anxiety of writing a TORFP
- Increase awareness of processes and requirements, NOT shortcuts
- How the TORFP impacts the quality of the project
- Characteristics of a quality TORFP
- Understanding the roles of stakeholders

Procurement Decision

- Formally defined in the Planning Phase of the SDLC based on:
 - Analysis of business needs, goals, and objectives
 - Project's cost/benefit analysis utilizing external vs. internal resources
 - Project risks associated with utilizing external vs. internal resources
- SDLC Functional Requirements Document crucial to the development of a quality TORFP

Purpose of the TORFP

- Elicits offers from potential business partners to solve or support a specific business problem or opportunity
- Defines a good or service that cannot be adequately provided or developed with internal resources
- Establishes a contractual agreement for the delivery of the good or service

Purpose of the TORFP (cont.)

- Delineates deliverables
- Establishes framework for producing deliverables
- Defines requirements and expectations
- Defines responsibilities for certain outcomes

Importance of a Quality TORFP

- The TORFP directly influences the success of the project
 - Must be tightly integrated with objectives, scope and expectations of the project
 - Timing of expected deliverables must be consistent with project schedule and tasks
- Begins with an assessment of need
- Ends with delivery of expected product or service

Characteristics of a Quality TORFP

- Clear
 - Minimizes misinterpretation
- Concise
 - Minimizes non-relevant information
- Measurable
 - Quality of deliverables can be measured
- Time Bound
 - Specifies when deliverables are to be produced

Scope of Work (SOW)

- One of the most crucial parts of a TORFP
- Articulates the who, what, when, where, why and sometimes how necessary to satisfy the business need or opportunity
- Quality, specificity and completeness will be reflected throughout balance of the TORFP and the resulting engagement

SOW (cont.)

- Enables Offerors to clearly understand specifications/requirements and the relative importance of each
- Facilitates receiving higher quality proposals
- Minimizes change orders, which lead to increased project cost and delayed project completion
- Allows both the State and contractor to assess performance
- Reduces potential of future claims and disputes⁹

SOW: Getting Started

- What is the business problem/opportunity you are addressing?
- When do you expect the deliverables and how will they be used?
 - Interim deliverables
 - Final deliverables
- How will the efforts of the Offerors align to project activities?
- What's defined in the project's SDLC documentation?

SOW: Background Information

- The business case for this solicitation
- The business and technical environment in which the work is to be performed
- High level details that are pertinent to the solicitation
- Definition of what constitutes the success of this engagement

Specifications vs. Requirements

- Specifications are prescriptive
 - Must be provided in as much detail as possible
 - May reference specific industry or regulatory standards
 - Provide access to the specifications you are mandating
 - Web
 - Copies as addendums
 - Reading room
- Contractor has little, if any, latitude in how the solution is to perform

Specifications vs. Requirements (cont.)

- Requirements are not prescriptive
 - Usually communicated as:
 - Business benefit
 - Process functionality
 - Outcomes
 - Contractor has latitude for determining how the requirement is satisfied
- Being too prescriptive
 - Prevents consideration of all options
 - Impedes competition

Functional vs. Technical

- Functional
 - Directly supports business objectives
- Technical
 - How the system should behave
 - Reliability
 - Performance
 - Standards
- Prioritize: Must Have vs. Desirable

SOW: Deliverables

- There is no defined standards or understanding for what constitutes a deliverable
 - Content of written documentation
 - Usability
 - Functionality
 - Reliability
- If you expect it, need it, want it - define it.
- If you can't articulate what it is you want, how can you expect the contractor to deliver it?

SOW: Deliverables (cont.)

- Consider how the deliverable will be used
- Multiple deliverables are preferred over fewer deliverables
 - Reduces risk
- Drafts vs. Finals
 - Intent is to gauge progress, quality, thought processes, format and content
 - Opportunity to remedy issues prior to final delivery

SOW: Deliverables (cont.)

- Define required format
- Quantifiable acceptance criteria
- Tie deliverables to a payment schedule
- Specify due dates
 - Specific date
 - Notice To Proceed (NTP) + # Days

SOW: Performance Metrics

- How will contractor/deliverable performance be measured:
 - Availability
 - Transaction processing
 - Errors and error handling
 - Usability
 - Contractor staff performance measures are no different than those objectives and criteria established for your own staff
- Good metrics are:
 - Quantifiable and Repeatable
 - Appropriate and Aligned to SOW

SOW: Project Management

- Project management is a deliverable
 - Reporting
 - Consistent and thorough
 - Meetings
 - Define frequency and attendees
 - Compliance with required processes
 - SDLC, PM Oversight Protocol
- Define requirements and expectations
 - Methodologies
 - Change control

SOW: Risk

- Must be consistent with the level of effort and deliverables defined in the SOW
- Time and Materials
 - Appropriate for level of effort engagements or when significant unknowns are present
 - Agency assumes the risk of performance, quality and cost
- Fixed Price
 - Appropriate when level of effort is known
 - Contractor assumes risk of performance, quality and cost

SOW: Risk (cont.)

- Limits of liability
 - What is the State's exposure in the event of a catastrophic project/contract failure?
 - What is the greatest cost and/or impact?
 - Would tangible assets remain?
- Retainage
 - Appropriate when multiple deliverables result in a more significant deliverable
- Terms and Conditions
 - Cannot dilute or conflict with master contract but can specify others, if warranted

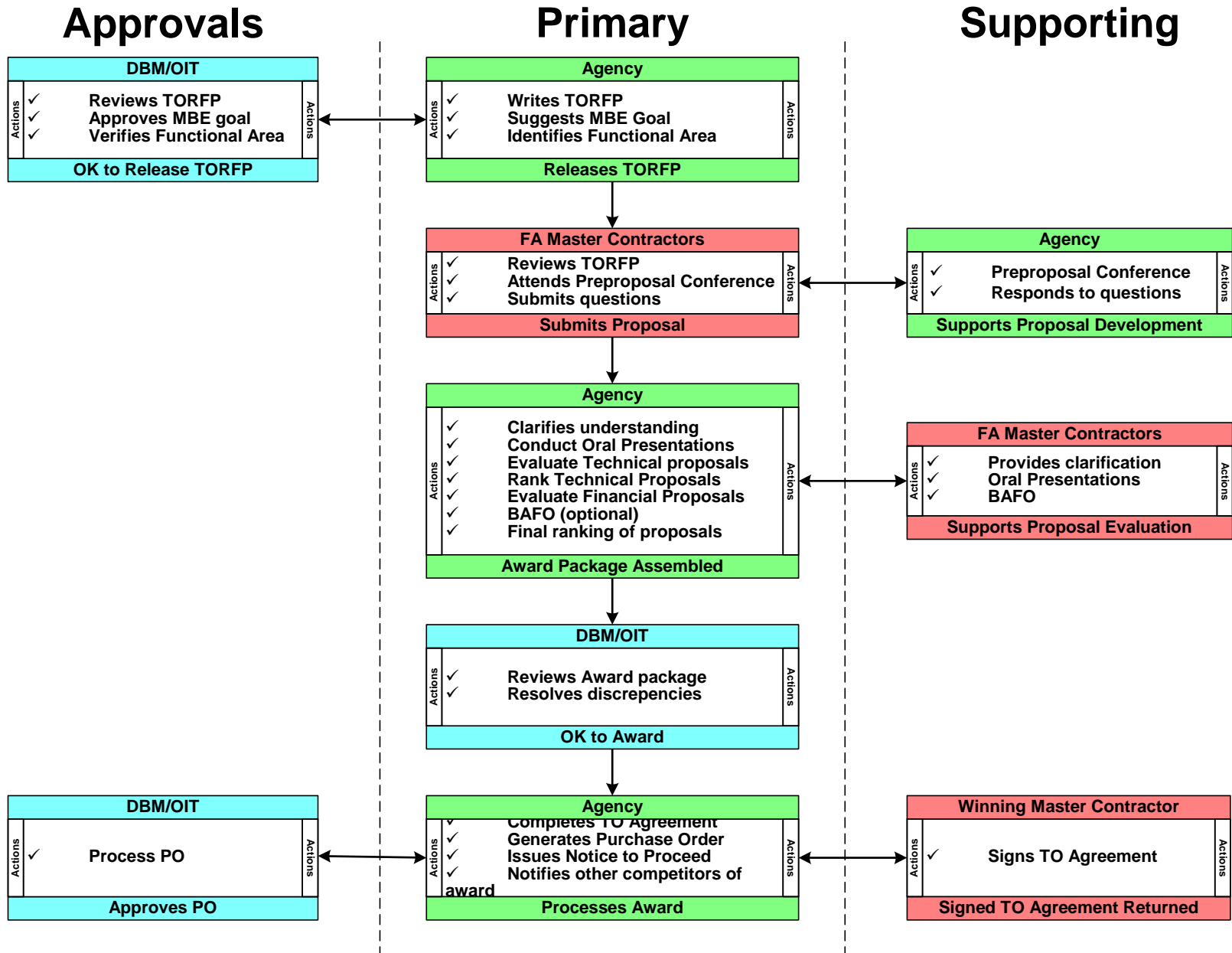
Proposal Format

- How do you want to see proposals
 - Format
 - Content
- Minimal marketing information
- References
 - How many, what type, how recent
- Manner and means to facilitate a fair and open competition

Proposals and Evaluation

- Evaluation Criteria
 - Objective and aligned to SOW
 - Facilitates establishing a distinction between proposals
 - Communicates to Offerors how they will be evaluated and under which criteria the TO Agreement will be awarded
 - Prioritized in order of importance
 - Results in identifying the “Best Value” proposal
 - Includes a pricing model
 - Contractor vs. Personnel experience
- Will aid in SOW and overall TORFP development
 - Determine if the qualifications are too restrictive and impede an open procurement

TORFP Process and Responsibilities



Challenges

- Time
- Experience
- Other people's time (IT, Procurement, AAG, DBM, Business Units)
- Coordination and integration with other project activities

Helpful Hints

- Know what it is you are trying to accomplish
- Know business problem or opportunity you are addressing
- Know what it is you are asking for and when you require delivery
- Know how the deliverables will be used
- Know how you will measure progress and quality

Helpful Hints (cont.)

- Know what constitutes success
- Know what's important – Time, Quality, Cost
- Don't second guess industry
 - If you need, it ask for it. Let the Offerors determine if, when and at what cost your requirements can be satisfied.
- Don't be wed to your writings. If there's room for different interpretations, rewrite it

Helpful Hints (cont.)

- The TORFP requires significant coordination and integration with the project being supported
- Clear and Concise. Get to the point of what needs to be said
- Consider the life of the resulting TO Agreement, potential for failure, change of people, and possible reinterpreting of the TORFP language

Helpful Hints (cont.)

- Go away and come back
- Review/Edit. Review/Edit. Review/Edit....
- Get input from Procurement, AAG and other stakeholders
 - Same interpretation?
 - If not, rewrite
- Treat procurement as a project
- Acquisition is a means to an end, not the end



DEPARTMENT OF
BUDGET & MANAGEMENT

Questions?